

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

BECHTEL DO BRASIL CONSTRUÇÕES
LTDA., BECHTEL CANADA CO., and
BECHTEL INTERNATIONAL, INC.,

Petitioners,

v.

UEG ARAUCÁRIA LTDA.,

Respondent.

Civil Action No. 1:09-cv-06417

**DECLARATION OF JEFFREY S. FOLLETT IN SUPPORT OF
OPPOSITION TO PETITION FOR PERMANENT STAY OF ARBITRATION**

JEFFREY S. FOLLETT, under the pains and penalties of perjury, declares as follows.

1. I am a partner in the firm of Foley Hoag LLP and a member of the bars of the Commonwealth of Massachusetts, the State of New Hampshire and the District of Columbia. I also am admitted to practice before the First Circuit Court of Appeals and the United States District Court for the District of Massachusetts.

2. Since 2008, I have represented Respondent UEG Araucária Ltda (“UEGA”) in connection with a dispute involving Bechtel do Brasil Construções Ltda., a partnership incorporated under the laws of Brazil, Bechtel Canada Co., a company incorporated in the province of Nova Scotia, Canada, and of Bechtel International Inc., a company incorporated in the state of Nevada, United States of America (collectively, “Bechtel”). In particular, I have appeared on behalf of UEGA in an international arbitration procedure (the “Arbitration”) pending before the International Chamber of Commerce (the “ICC”), in which UEGA seeks recovery of damages from Bechtel.

3. At the time of filing the Arbitration, on September 29, 2008, UEGA requested that the proceedings be placed in abeyance, so that the parties would have an opportunity to explore the possibility of a negotiated resolution. The ICC granted that request.

4. UEGA and Bechtel first met to discuss their dispute on October 20, 2008, with corporate officers present.

5. Following the October meeting, I inquired of Bechtel whether it was interested in mediating the dispute. Bechtel would not agree to mediate at that time but instead proposed another meeting.

6. The parties met again on May 22, 2009 but were unable to resolve their differences.

7. Having reached an impasse, I advised Bechtel that UEGA was likely to bring the arbitration out of abeyance. Bechtel thereafter brought this proceeding.

8. In the time since bringing this proceeding, Bechtel has indicated that it intends to request that the ICC arbitral panel stay the arbitration proceedings pending the outcome of the present action. Bechtel has advised me that it is willing to arbitrate claims, but only those remaining after conclusion of these proceedings.

9. The ICC's case administrator has advised me that the ICC considers the matter submitted for arbitration and is not likely to stay the arbitration due the existence of parallel proceedings.

10. UEGA is in the process of bringing the Arbitration out of abeyance.

I declare under penalty of perjury that the foregoing is true and correct.

/s/ Jeffrey S. Follett
Jeffrey S. Follett

Dated: July 20, 2009